

**ASSEMBLY BILL**

**No. 1950**

**Introduced by Assembly Member Wiggins**

February 11, 2004

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An act to add Section 1798.81.5 to the Civil Code, relating to privacy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1950, as introduced, Wiggins. Privacy: personal information.

Existing law regulates the handling of customer records and requires that a business take all reasonable steps to destroy a customer's records in its custody or control when they are no longer to be retained. Existing law requires a person or business that owns or licenses computerized data that includes personal information, as defined, to disclose any breach of the security of its system, as specified.

This bill would require a business, other than a financial institution, that obtains personal information to implement and maintain effective safeguards that ensure the security of the information, protect it against loss, and protect it from unauthorized persons or entities. The bill would also require that a business, other than a financial institution, that discloses personal information to an affiliate, supplier, or service provider, to require by contract that those entities safeguard the information, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1798.81.5 is added to the Civil Code, to  
2 read:

1 1798.81.5. (a) A business, other than a financial institution as  
2 defined in Section 4052 of the Financial Code, that obtains  
3 personal information shall implement and maintain effective  
4 safeguards that accomplish all of the following:

5 (1) Ensure the security and confidentiality of the personal  
6 information.

7 (2) Protect the personal information against loss.

8 (3) Protect the personal information from access, destruction,  
9 use, modification, or disclosure by an unauthorized person or  
10 entity.

11 (b) A business, other than a financial institution as defined in  
12 Section 4052 of the Financial Code, that discloses personal  
13 information to an affiliate, supplier, or service provider, shall  
14 require by contract that the affiliate, supplier, or service provider,  
15 do all of the following:

16 (1) Ensure the security and confidentiality of the personal  
17 information.

18 (2) Protect the personal information against loss.

19 (3) Protect the personal information from the access,  
20 destruction, use, modification, or disclosure by an unauthorized  
21 person or entity.

